

# House Study Bill 576

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
EDUCATION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act allowing the director of the department of education to  
2 withhold certain state funding from school districts, area  
3 education agencies, and community colleges when required  
4 report submissions are late.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 5335XD 82  
7 ak/sc/5

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1 1 Section 1. Section 256.9, subsection 18, Code Supplement  
1 2 2007, is amended to read as follows:  
1 3 18. a. Prepare forms and procedures as necessary to be  
1 4 used by area education agency boards, district boards, school  
1 5 officials, principals, teachers, and other employees, and to  
1 6 insure uniformity, accuracy, and efficiency in keeping records  
1 7 in both pupil and cost accounting, the execution of contracts,  
1 8 and the submission of reports, ~~and notify.~~  
1 9 b. (1) Notify the area education agency board, district  
1 10 board, or school authorities when a report has not been filed  
1 11 in the manner or on the dates prescribed by law or by rule  
1 12 that the school will not be accredited until the report has  
1 13 been properly filed.  
1 14 (2) The director may withhold from a school district the  
1 15 payment of state foundation aid under section 257.16,  
1 16 subsection 2, if the school district has not filed a data or  
1 17 information report with the department on the date prescribed  
1 18 by law or by rule. The director may withhold up to ten  
1 19 percent of the monthly payment if the submission is thirty  
1 20 days late and may withhold up to twenty-five percent of  
1 21 subsequent monthly payments until the report is filed. The  
1 22 director shall notify the school district and the school  
1 23 district board president of the intent to withhold state  
1 24 foundation aid at least fifteen days prior to such action.  
1 25 After the department has verified a school district has  
1 26 submitted the required report, all withheld amounts shall be  
1 27 distributed within sixty days and shall be included with a  
1 28 regularly scheduled monthly payment.  
1 29 Sec. 2. Section 260C.5, subsection 5, Code 2007, is  
1 30 amended to read as follows:  
1 31 5. a. Administer, allocate, and disburse federal or state  
1 32 funds available to pay a portion of the operating costs of  
1 33 community colleges.  
1 34 b. The director may withhold from a community college the  
1 35 payment of general state financial aid under section 260C.18C,  
2 1 if the community college has not filed a data or information  
2 2 report on the date prescribed by law or by rule. The director  
2 3 may withhold up to ten percent of a monthly payment if the  
2 4 submission is thirty days late and may withhold up to  
2 5 twenty-five percent of subsequent monthly payments until the  
2 6 report is filed. The director shall notify the community  
2 7 college and the merged area board president of the intent to  
2 8 withhold general state financial aid at least fifteen days  
2 9 prior to such action. After the department has verified a  
2 10 community college has submitted the required report, all  
2 11 withheld amounts shall be distributed within sixty days and  
2 12 shall be included with a regularly scheduled monthly payment.  
2 13 Sec. 3. NEW SECTION. 273.14 REPORT DEADLINES ==  
2 14 PENALTIES.  
2 15 The director of the department of education may order a  
2 16 school district to withhold from an area education agency  
2 17 funds due under section 256B.9 or 273.9 if the area education

2 18 agency has not filed a data or information report on the date  
2 19 prescribed by law or by rule. The director may order up to  
2 20 ten percent of a monthly payment be withheld if the submission  
2 21 is thirty days late and up to twenty-five percent of  
2 22 subsequent monthly payments until the report is filed. The  
2 23 director shall notify the president of the area education  
2 24 agency board and the president of the school district board of  
2 25 the order to withhold funds at least fifteen days prior to the  
2 26 district taking such action. After the department has  
2 27 verified an area education agency has submitted the required  
2 28 report, all withheld amounts shall be distributed within sixty  
2 29 days and may be included with a regularly scheduled monthly  
2 30 payment.

2 31 EXPLANATION

2 32 This bill allows the director of the department of  
2 33 education to enforce compliance with reporting and submission  
2 34 deadlines from school districts, area education agencies  
2 35 (AEAs), and community colleges. The bill allows the  
3 1 department to withhold a part of state aid payments in an  
3 2 effort to incentivize compliance with reporting requirements.  
3 3 The bill also allows the department to order a school district  
3 4 to withhold payments from AEAs to incentivize compliance. The  
3 5 bill provides that a submission that is 30 days late would  
3 6 allow the department, or a school district in the case of an  
3 7 AEA, to withhold 10 percent of the monthly state aid amount  
3 8 due the school district, community college, or AEA. If a  
3 9 submission is 60 days late, the bill allows the department, or  
3 10 school district, to withhold 25 percent of subsequent monthly  
3 11 state aid amounts. The bill provides that once an entity  
3 12 submits the required report, the withheld funds will be  
3 13 distributed within 60 days and included with a regularly  
3 14 scheduled monthly payment.  
3 15 LSB 5335XD 82  
3 16 ak/sc/5